

State: Pennsylvania **Filing Company:** Berkshire Life Insurance Company of America
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.004 Partnership
Product Name: Care ProVider
Project Name/Number: /

Filing at a Glance

Company: Berkshire Life Insurance Company of America
Product Name: Care ProVider
State: Pennsylvania
TOI: LTC03I Individual Long Term Care
Sub-TOI: LTC03I.004 Partnership
Filing Type: Rate - M.U. (Medically underwritten)
Date Submitted: 08/13/2015
SERFF Tr Num: LFCR-130204662
SERFF Status: Assigned
State Tr Num: LFCR-130204662
State Status: Received Review in Progress
Co Tr Num: PA BG01(06/04) 2014 RATE INCREASE

Implementation: On Approval
Date Requested:
Author(s): Scarlett Nazari, Anoush Chngidakyan, Darlene Smith
Reviewer(s): Jim Lavery (primary)
Disposition Date:
Disposition Status:
Implementation Date:

State Filing Description:

Proposed 10% increase on 377 policyholders of Berkshire Life individual LTC forms: BG01P(06/04)-PA, BG02P(06/04)-PA, BG03P(06/04)-PA, & BG04P(06/04)-PA.

State: Pennsylvania
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.004 Partnership
Product Name: Care ProVider
Project Name/Number: /

Filing Company: Berkshire Life Insurance Company of America

General Information

Project Name: Status of Filing in Domicile: Pending
 Project Number: Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Individual
 Submission Type: New Submission Individual Market Type:
 Overall Rate Impact: Filing Status Changed: 08/14/2015
 State Status Changed: 08/14/2015
 Deemer Date: Created By: Darlene Smith
 Submitted By: Darlene Smith Corresponding Filing Tracking Number:

Filing Description:
 Please see Transmittal Letter in Supporting Documentation.

Company and Contact

Filing Contact Information

Luis Morales, Compliance Product Support luis.morales@lifecareassurance.com
 Analyst 1
 P.O. Box 4243 818-867-2478 [Phone]
 Woodland Hills, CA 91365-4243 818-867-2530 [FAX]

Filing Company Information

(This filing was made by a third party - LCA01)

Berkshire Life Insurance Company of America	CoCode: 71714	State of Domicile: Massachusetts
Long Term Care Administrative Office	Group Code: 429	Company Type:
P.O. Box 4243	Group Name:	State ID Number:
Woodland Hills, CA 91365-4243	FEIN Number: 75-1277524	
(818) 867-2450 ext. [Phone]		

Filing Fees

Fee Required? Yes
 Fee Amount: \$150.00
 Retaliatory? Yes
 Fee Explanation: Domicile state fee is \$150.00 per rate filing.
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
Berkshire Life Insurance Company of America	\$150.00	08/13/2015	98635644

SERFF Tracking #:

LFCR-130204662

State Tracking #:

LFCR-130204662

Company Tracking #:

PA BG01(06/04) 2014 RATE INCREASE

State: Pennsylvania

Filing Company: Berkshire Life Insurance Company of America

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.004 Partnership

Product Name: Care ProVider

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: SERFF

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 15.000%

Effective Date of Last Rate Revision: 12/01/2014

Filing Method of Last Filing: SERFF

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Berkshire Life Insurance Company of America	10.000%	10.000%	\$249,881	377	\$2,498,812	10.000%	10.000%

State: Pennsylvania

Filing Company:

Berkshire Life Insurance Company of America

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.004 Partnership

Product Name: Care ProVider

Project Name/Number: /

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Berkshire Rate Increase Act Memo Exhibits PA	Form BG01P(06/04)-PA, Form BG02P(06/04)-PA, Form BG03P(06/04)-PA, Form BG04P(06/04)-PA, Form BG01R-IP3(06/04)-PA, Form BG01R-IP5(06/04)-PA, Form BG01R-SBN(06/04)-PA, Form BG01R-ROP(06/04)-PA, Form BG01R-IND(06/04)-PA, Form BG01R-PCG(06/04)-PA, Form BG01R-WOP(06/04)-PA, Form BG01R-MTH(06/04)-PA, Form BG01R-ROB(06/04)-PA, Form BG01R-SVR(06/04)-PA	New		Berkshire Rate Increase Act Memo Exhibits PA.xlsx,

State: Pennsylvania Filing Company: Berkshire Life Insurance Company of America
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.004 Partnership
Product Name: Care ProVider
Project Name/Number: /

Attachment Berkshire Rate Increase Act Memo Exhibits PA.xlsx is not a PDF document and cannot be reproduced here.

State: Pennsylvania

Filing Company:

Berkshire Life Insurance Company of America

TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.004 Partnership

Product Name: Care ProVider

Project Name/Number: /

Supporting Document Schedules

Satisfied - Item:	Transmittal Letter (A&H)
Comments:	
Attachment(s):	Berkshire Filing Cover Letter PA 2015.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (A&H)
Bypass Reason:	See Actuarial Memo
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	Berkshire Rate Filing Actuarial Memo PA.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Authorization to File (A&H)
Comments:	
Attachment(s):	LifeCare Approval TPA.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

SERFF Tracking #:

LFCR-130204662

State Tracking #:

LFCR-130204662

Company Tracking #:

PA BG01(06/04) 2014 RATE INCREASE

State:

Pennsylvania

Filing Company:

Berkshire Life Insurance Company of America

TOI/Sub-TOI:

LTC03I Individual Long Term Care/LTC03I.004 Partnership

Product Name:

Care ProVider

Project Name/Number:

/

Satisfied - Item:	Rate Table (A&H)
Comments:	Rate Table is attached in the Rate/Rule Schedule
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	Please see Rate/Rule Schedule
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Policyholder Notice
Comments:	
Attachment(s):	Customer Notice and Election Form.pdf
Item Status:	
Status Date:	



**Berkshire Life
Insurance Company of America**

August 13, 2015

Michael F. Consedine, Commissioner
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, Pennsylvania 17120

Re: Berkshire Life Insurance Company of America
NAIC No: 71714
Policy Forms: BG01P(06/04)-PA, BG02P(06/04)-PA, BG03P(06/04)-PA, & BG04P(06/04)-
PA, Guaranteed Renewable Long Term Care Policy

Dear Commissioner Consedine:

This rate filing is submitted on behalf of Berkshire Life Insurance Company of America (the “company”) for your review.

Forms BG01P(06/04)-PA, BG02P(06/04)-PA, BG03P(06/04)-PA, & BG04P(06/04)-PA are existing individual policy forms providing benefits for confinement in a qualified Nursing Facility, Assisted Living Facility, or Home Health Care. These forms were approved in 2004 and issued between 2005 and 2010. They are no longer being marketed in any state.

Previously, the company requested an increase of 25% on this block of business, and a 15% increase was granted on 7/22/2014 (SERFF Tracking No: LFCR-129535213). The company is now requesting the approval of a 10% rate increase on the base rates. The prior 15% increase was implemented on 12/1/2014 and the requested 10% rate increase, if approved, will not be implemented before 12/1/2015, which means that no policy will get two rate increases in the same year. The details of the rate increase are in the actuarial memorandum submitted with this cover letter.

The company will provide the following options to the policyholders to reduce the impact of the rate increase:

- Reduce the daily benefits, subject to a minimum of \$20
- Change benefit options to lower the premium
- Offer a paid up option which provides a benefit pool equal to the premiums paid

The following items are included in this submission:

- This cover letter
- A letter from Berkshire Life Insurance Company of America authorizing us to submit this filing on their behalf
- An actuarial memorandum and rate schedules
- Policyholder Notice of Rate Increase Letter & Coverage Change Request Form
- Any other state required form

Long Term Care Administrative Office
Post Office Box 4243 • Woodland Hills, CA 91365-4243 • Telephone 888-505-8743 • Fax 818-887-4595



**Berkshire Life
Insurance Company of America**

The contact person for this filing is:

Xiaoyan Song, FSA, MAAA, FLMI, LTCP
Consulting Actuary
21600 Oxnard Street, Suite 1500
Woodland Hills, CA 91367
800-366-5463 ext. 2232
Xiaoyan.Song@LifeCareAssurance.com

Thank you for your assistance in reviewing this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Xiaoyan Song', written over a light gray rectangular background.

Xiaoyan Song, FSA, MAAA, FLMI, LTCP
Consulting Actuary

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

Long Term Care Insurance Policy:	Form BG01P(06/04)-PA
Nursing Facility Only Insurance Policy:	Form BG02P(06/04)-PA
Franchise Long Term Care Insurance Policy:	Form BG03P(06/04)-PA
Franchise Nursing Facility Only Insurance Policy:	Form BG04P(06/04)-PA
Compound 3% Inflation Protection Rider:	Form BG01R-IP3(06/04)-PA
Compound 5% Inflation Protection Rider:	Form BG01R-IP5(06/04)-PA
Shortened Benefit Period Nonforfeiture Rider:	Form BG01R-SBN(06/04)-PA
Return of Premium Rider:	Form BG01R-ROP(06/04)-PA
Indemnity Benefit Rider:	Form BG01R-IND(06/04)-PA
Personal Caregiver Rider:	Form BG01R-PCG(06/04)-PA
Waiver of Premium Rider:	Form BG01R-WOP(06/04)-PA
Monthly Benefit Rider:	Form BG01R-MTH(06/04)-PA
Restoration of Benefits Rider:	Form BG01R-ROB(06/04)-PA
Paid-Up Survivor Benefit Rider:	Form BG01R-SVR(06/04)-PA

These form and riders were issued in Pennsylvania from 2005 through 2010. The above form and riders are no longer being marketed.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

Table of Contents

Actuarial Memorandum

Section 1: Purpose of Filing	4
Section 2: Requested Rate Increase	4
Section 3: Premiums	4
Section 4: Description of Benefits	5
Section 5: Marketing Method	8
Section 6: Underwriting Description	8
Section 7: Renewability	8
Section 8: Applicability	8
Section 9: Actuarial Assumptions	9
Section 10: Issue Age Range	11
Section 11: Claim Liability and Reserves	11
Section 12: Trend Assumptions	11
Section 13: Past and Future Policy Experience	12
Section 14: Analysis Performed	13
Section 15: Loss Ratio Requirement Compliance Demonstration	14
Section 16: History of Previous Rate Revisions	15
Section 17: Proposed Effective Date	15
Section 18: Nationwide Distribution of Business as of December 31, 2014	15
Section 19: Actuarial Certification	16

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

Actuarial Memorandum Exhibits

Attachment A: Rate Increase Impact Exhibit	17
Attachment B1.1-B3: Rate Tables	18
Attachment C: Lapse Rates	23
Attachment D1 & D2: Mortality Rates	24
Attachment E1.1-E2.2: Incidence and Continuance Assumptions and Experience	26
Attachment F1: Calendar Year Nationwide Projections without Proposed Rate Increase	30
Attachment F2: Calendar Year Nationwide Projections with Proposed Rate Increase	31
Attachment G1: Calendar Year Pennsylvania Projections without Proposed Rate Increase	32
Attachment G2: Calendar Year Pennsylvania Projections with Proposed Rate Increase	33
Attachment H1: Nationwide Durational Experience Exhibits	34
Attachment H2: Pennsylvania Durational Experience Exhibits	35
Attachment I1: Nationwide Policy and Premium Distributions	36
Attachment I2: Pennsylvania Policy and Premium Distributions	37
Attachment J: Sufficiency Exhibits	38

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

1. Purpose of Filing

This actuarial memorandum has been prepared for the purpose of documenting a proposed rate increase and demonstrating that the rates meet the requirements in the statutes of Pennsylvania. It may not be suitable for other purposes.

2. Requested Rate Increase

The company is requesting an increase, which does not vary by policy form or issue age. Experience termination rates for inforce policies and policies in claim status are lower than expected, resulting in expected loss ratios which would not be sustainable under the current premiums.

The base rate increase is 10%. The new premium for any contract is equal to the product of the contract's current premium and one plus the base premium increase percentage.

Rate increase impact exhibits are in attachment A. Nationwide projected premiums have been adjusted to be consistent with the current rate level in Pennsylvania.

3. Premiums

Premiums are unisex, level, lifetime, and limited pay. Premiums vary by issue age, initial daily benefit, benefit period, elimination period, risk class, individual vs. joint coverage and the riders selected.

Please see attachments B1.1-B3 for rates:

B1.1-B1.2	BG01P(06/04)-PA, BG02P(06/04)-PA, BG03P(06/04)-PA, & BG04P(06/04)-PA current rates
B2.1-B2.2	BG01P(06/04)-PA, BG02P(06/04)-PA, BG03P(06/04)-PA, & BG04P(06/04)-PA proposed rates
B3	BG01P(06/04)-PA, BG02P(06/04)-PA, BG03P(06/04)-PA, & BG04P(06/04)-PA proposed increase

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

4. Description of Benefits

BASE POLICY BENEFITS PER (\$10.00) UNIT OF COVERAGE

- a. FCS - Actual expenses incurred up to \$10.00 per day for FCS (qualified long term care services, including skilled, intermediate and custodial care) while confined in a qualified nursing facility or assisted living facility and maintenance or personal care performed in an assisted living facility. Benefits paid are deducted from the benefit amount.
- b. HCCS - This optional benefit must be selected by the insured to be covered under the policy. Actual expenses incurred up to \$10.00 per day. Coverage is provided for home health care (services performed through a home health care agency or independent home health caregiver, including care by a professional nurse, therapist, dietician or home health aide, and homemaker services) respite care, adult day care, hospice services and caregiver training. The caregiver training benefit payable is a maximum lifetime benefit equal to five times the daily benefit selected. Additionally, the policy provides for an emergency response system benefit payable on a reimbursement basis at \$50 per month (in addition to daily benefit payable for HCCS). Benefits paid are deducted from the benefit amount.
- c. Facility Bed Reservation Benefit - Actual FCS expenses incurred up to \$10.00 per day to reserve a bed in a nursing facility or assisted living facility during a temporary absence from the facility. Benefit is payable up to 30 days per calendar year. Benefits paid are deducted from the benefit amount.
- d. Respite Care - Actual expenses incurred up to \$10.00 per day for FCS or HCCS (if covered) payable as short term care to relieve primary caregiver. Benefit is payable up to 30 days per calendar year. Benefits paid are deducted from the benefit amount.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

- e. Alternative Plan of Care Benefit - Provides for qualified long term care services not specifically shown as being available under the policy, if agreed upon by the insured, licensed health care practitioner and the company, which may include equipment purchases or rentals; permanent or temporary modifications to the insured's residence (such as ramps or rails) or care services not normally covered under the HCCS. The alternative plan of care is not available for providing HCCS on policies providing FCS benefits only. The maximum lifetime alternative plan of care payable under the policy is equal to 50 times the daily benefit selected. The alternative plan of care benefit amount agreed upon, divided by the daily benefit selected, equals the number of subsequent days for which additional benefits will not be payable for HCCS or FCS.
- f. Optional Personal Care Advisor, accessible through toll-free telephone number if requested, is available to insured to provide assistance with any questions about their coverage. The cost of these services is not deducted from the benefit amount.
- g. Optional Care Coordination, at the insured's option a toll-free number is accessible to arrange with the company for contact to be made by a care coordinator. If the insured wishes, an RN will be available to assist with assessment and coordination of appropriate care and services. The cost of these services is not deducted from the benefit amount.
- h. Waiver of Premium is provided after confinement in a nursing facility or an assisted living facility for a period of 90 days or the insured has received home and community care services (if covered on the policy) for a period of 90 days (regardless of the number of visits in a day). Premiums already paid, but not earned will be refunded on a pro-rata basis, including premium paid during the 90 day period above.

OPTIONAL BENEFIT RIDERS

- a. Compound 3% and 5% Inflation Protection Riders (IP3) (IP5) – These riders provide that on each policy anniversary, we will increase the daily benefit and benefit amount payable under the policy. The Compound 3% and 5% Inflation Protection Riders increase the daily benefit respectively by 3% or 5% of the previous year's dollar amount. The remaining benefit amount is also increased by 3% or 5%. Under these riders, the daily benefit and benefit amount will continue to increase annually while the insured is receiving benefits under the policy.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

- b. Shortened Benefit Period Nonforfeiture Rider (SBP) - This rider provides the nonforfeiture credit as adopted by the NAIC. If the policy has been in force for at least three years and lapses due to nonpayment of premiums, coverage will continue and benefits will be payable based on the daily benefit in effect on the date of lapse. No further benefit increases will occur under any inflation protection rider, if attached to the policy. The new benefit amount becomes equal to the greater of: (a) the total of premiums paid for the policy and riders; or (b) 30 times the daily benefit in effect on the date of lapse. Any benefits paid after lapse will be deducted from this new benefit amount.
- c. Return of Premium Rider (ROP) - This rider provides a return of premium benefit (equal to premium paid) with a claims offset in the event that the policy lapses due to death of the insured (last to die under joint coverage).
- d. Indemnity Benefit Rider (IND) - This rider provides that all benefits covered under the policy will be payable on an indemnity basis at the full daily benefit selected, regardless of actual expenses incurred. This rider is not available if either the Personal Caregiver Rider or Monthly Benefit Rider is purchased.
- e. Personal Caregiver Rider (PCG) - The rider will pay the full daily benefit for services covered under the policy when HCCS is selected, regardless of the actual expenses incurred by the insured. This applies to each benefit for which the insured qualifies. In addition, a personal caregiver benefit is payable for HCCS. This benefit will be equal to the full daily benefit selected for HCCS, regardless of the actual charges incurred. Further, the benefit is payable to the insured regardless of who provides the HCCS, including any nonprofessional caregiver, any unpaid family member, or friends. Benefits paid are subtracted from the benefit amount. The rider is only available to insureds in the preferred plus risk class. The rider is not available with a FCS only policy, IND Rider, Monthly Benefit Rider, 10 year and paid-up at age 65 payment options.
- f. Waiver of Premium (WOP) – This rider provides that all premiums will be waived after receiving 90 days of HCCS (regardless of the number of visits per day). Premiums paid, but not earned will be refunded on a pro-rata basis, including premium paid during the 90 day period above.
- g. Monthly Benefit Rider (MTH) - This rider changes all HCCS benefits from a daily basis to a monthly maximum up to thirty-one (31) times the daily benefit during a calendar month. Not available with IND Rider or PCG Rider. Either 3% or 5% Compound Inflation Protection must also be purchased.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

- h. Restoration of Benefits Rider (ROB) – This rider is available with benefit periods other than lifetime. If the policy remains in force and claims paid during a single claim period have not exceeded the benefit amount and the insured is not eligible for payment of benefits for 180 consecutive days, the benefit amount payable will be restored. Restoration of Benefits is subject to a maximum of twice the benefit amount selected.
- i. Paid-Up Survivor Benefit Rider (SRV) – A joint coverage policy to which this rider is attached will be paid-up and no further premium payments due after both of the following have occurred: the end of the 10th policy year; the date of the death of either insured. In the event one insured dies prior to the end of the 10th policy year, the remaining insured will pay the individual premium rate that would have been charged at the original issue age and risk class for the balance of the 10 year period, after which the policy becomes paid-up. Available with lifetime payment plans only.

5. Marketing Method

This policy form was marketed by individual agents who primarily sell on an individual basis.

6. Underwriting Description

This policy form was fully underwritten with the use of various underwriting tools in addition to the application, which may have included medical records, an attending physician's statement, telephone interview and/or face-to-face assessment.

7. Renewability

These policies are guaranteed renewable for life.

8. Applicability

This filing is applicable to all in force policies issued in Pennsylvania on the above referenced form. Since these form and riders are no longer being sold, the rate increase will only apply to in force policies.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

9. Actuarial Assumptions

a. Lapse and rate increase impact

Attachment C includes a comparison of original pricing, experience, and best estimate voluntary lapse rates.

50% of the premium increase is assumed to occur in 2015, 50% in 2016.

An extra 3% of the policyholders with a rate increase are assumed to lapse.

11% of the policyholders with a rate increase are assumed to keep their premium level and reduce their benefit proportionally.

b. Mortality

Attachment D1 includes a comparison of original pricing, experience and best estimate mortality.

Best estimate: Attained age mortality is 60% of the 1994 Group Annuity Mortality Table for ages 80 and younger and grade to 100% of the 1994 Group Annuity Mortality Table at age 90 and older, with duration selection factors, shown in attachment D2.

c. Claims

Attachment E1.1 compares best estimate with original pricing ultimate unisex incidence rates. It also includes inforce adjustment factors.

Inforce Adjustment Factors are used to account for the fact that inforce counts are not reduced by claim incidence. The factor applied to the incidence varies by attained age and duration of the policy.

Attachment E2.1 shows the comparison of actual and expected (original pricing) incidence.

Attachment E1.2 includes the comparison of best estimate and original pricing length of stay for lifetime benefit period, 90 day elimination period policies with and without 5% Compound COLA. The best estimate

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

claim length of stay is based on SOA LTC Intercompany Study 2007 Report and reinsurer's experience.

Attachment E2.2 shows the actual to expected (original pricing) claim length of stay.

Pricing Claim Costs for skilled, intermediate aid Facility Care Benefits are derived from The Reports of the Society of Actuaries based on the 1985 National Nursing Home Survey Utilization Data in Transactions, Society of Actuaries, 1988-89-90 Reports; and the Long Term Care Intercompany Study: 1984-1991 Experience in Transactions, Society of Actuaries, 1993-94 Reports. Claim costs factors shown in the original actuarial memorandum are applied to the inforce lives and represent the expected cost per life of incurred benefits.

Claim costs for Home and Community Based Care are decreasing percentages of Facility Care claim costs derived from information provided by a reinsurer.

Claim costs for the Shortened Benefit Period Nonforfeiture Rider and the Full Nonforfeiture Rider are developed by using mortality rates and nonforfeiture benefits appropriate at each duration.

For the Benefit Increase Riders, the foregoing claim costs are compounded by 5% or 3% each duration based on compound interest rider purchased to obtain the actual claim costs by duration.

Claim costs were adjusted to accommodate the Waiver of Premium, which is treated as an increment of the daily benefit.

Joint claim cost factors:

Original Pricing:	130% of the individual claim costs
Best Estimates:	72% of the claim costs of each insured

Underwriting selection factors:

Original Pricing:	10%, 20%, 40%, 60%, 80%, 100% durations 6 & later
Best estimates:	10%, 20%, 40%, 60%, 80%, 100% durations 6 & later

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

d. Interest

Original Pricing:	4.5%
Best Estimate:	4.5%

e. Expenses

Expenses have not been explicitly projected. It is assumed that the originally filed expense assumptions remain appropriate and that renewal commission rates will apply to the increased premium.

10. Issue Age Range

The issue ages are from 40 to 84 on an age nearest birthday basis, except for endorsed groups where the issue age range is 18 to 84.

11. Claim Liability and Reserves

Active life reserves have not been used in this rate increase analysis. Claim reserves as of December 31, 2014 have been discounted to the incurral date of each respective claim and included in historical incurred claims. Incurred but not reported reserve (IBNR) balances as of December 31, 2014 have been allocated to a calendar year of incurral and included in historic incurred claims. Paid claims have been discounted to the incurral date and included in historical incurred claims. Claim Reserves are calculated for active and pending claimants as present value of benefit payments discounted by interest and terminations. The IBNR is based on lag factors which are applied to the claim reserves and survivor payments based on the difference between the incurral date and the valuation date.

12. Trend Assumptions

As this is not medical insurance, we have not included any explicit medical cost trends in the projections.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

13. Past and Future Policy Experience

Projections based on rate increase are shown as follows:

Nationwide experience and projections without proposed rate increase by calendar year:

All Pay Types: Attachment F1

Pennsylvania experience and projections without proposed rate increase by calendar year:

All Pay Types: Attachment G1

A future annual loss ratio is calculated, with and without interest, as anticipated incurred claims divided by earned premiums.

A lifetime loss ratio as of December 31, 2014 is calculated as the sum of accumulated past experience and discounted future experience where accumulation and discounting occur at 4.5%.

Projections based on rate increase are shown as follows:

Nationwide experience and projections with proposed rate increase by calendar year:

All Pay Types: Attachment F2

Pennsylvania experience and projections with proposed rate increase by calendar year:

All Pay Types: Attachment G2

Earned premiums and incurred claims for projection years 2015 through 2055 are developed from an asset share model representing actual contracts in force as of December 31, 2014. The assumptions described above for morbidity, voluntary lapse and mortality are used to project life years, earned premiums and incurred claims.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

14. Analysis Performed

The initial premium schedule was based on pricing assumptions deemed appropriate when the initial rate schedule was developed.

As part of the in-force management of the business, LifeCare Assurance Company and the reinsurer on the business monitor the performance of the business by completing periodic actual-to-expected analysis for mortality, claim incidence, and claim length of stay. A study of actual voluntary lapse rates is performed periodically. The findings from these analyses were used in projecting the inforce business to determine the effect of experience on the projected lifetime loss ratio.

Attachments C, D1, E2.1 and E2.2 compare experience results with expected assumptions. Attachments H1 and H2 compare historical and projected (based on best estimate assumptions) lifetime cumulative loss ratios with pricing expected cumulative loss ratios.

Nationwide historical and projected lifetime cumulative loss ratio compared with pricing expected cumulative loss ratio:

All Pay Types: Attachment H1

Pennsylvania historical and projected lifetime cumulative loss ratio compared with pricing expected cumulative loss ratio:

All Pay Types: Attachment H2

In order to analyze the change in expectation from the original pricing assumptions, the cumulative loss ratios are discounted back to duration 1 in exhibits H1 and H2. The actual/best estimate cumulative loss ratio is discounted by 4.5% (best estimate assumption) and the pricing expected cumulative loss ratio is discounted by 4.5% (original pricing assumption).

Because of the low termination rates, a significantly greater risk exposure is expected in the later durations, which is reflected in the nationwide lifetime 124% actual to expected cumulative loss ratio in exhibit H1.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

15. Loss Ratio Requirement Compliance Demonstration

Past experience and best estimates are used in the following projections:

Without proposed rate increase (Nationwide, Pennsylvania):

- Attachment F1: Nationwide
- Attachment G1: Pennsylvania

With proposed rate increase (Nationwide, Pennsylvania):

- Attachment F2: Nationwide
- Attachment G2: Pennsylvania

In all projections the accumulated lifetime loss ratios exceed the minimum loss ratio of 60%.

Attachment K provides a demonstration that the sum of the accumulated value of incurred claims without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

- a. Accumulated value of the initial earned premium times 58%,
- b. 85% of the accumulated value of prior premium rate schedule increases,
- c. Present value of future projected initial earned premiums times 58%, and
- d. 85% of the present value of future projected premiums in excess of the projected initial earned premiums.

Present and accumulated values in the lifetime projections in Attachment K are determined at 4.5%, the maximum valuation interest rate for contract reserves applicable to long-term care business issued in the years in which the applicable business of this filing were issued.

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

16. History of Previous Rate Revisions

A 15% rate increase was approved for this policy form on 7/22/2014.

17. Proposed Effective Date

This rate increase will apply to policies on their policy anniversary date following a 60-day policyholder notification period.

18. Nationwide Distribution of Business as of December 31, 2014 (Based on Policy Count and Premium)

As of December 31, 2014, the number of policies in force that will be affected by this increase, by policy form and in aggregate is shown in the following attachments:

Nationwide distribution:	Attachment I1
Pennsylvania distribution:	Attachment I2

Berkshire Life Insurance Company of America

**Home Office: Pittsfield, Massachusetts
Company NAIC No. 71714
Administrative Office: Post Office Box 4243
Woodland Hills, California 91365-4243**

Actuarial Memorandum

August 2015

19. Actuarial Certification

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for preparing health rate filings.

I believe this rate filing is in compliance with the applicable laws of the State of Pennsylvania and with the rules of the Department. This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice, including ASOP No. 8.

The data used to develop this actuarial memorandum was provided by LifeCare Assurance Company, the administrator of the policies, and Employers Reassurance Corporation, a reinsurer of the business. I have reviewed the data for reasonableness.

To the best of my knowledge and judgment, I hereby certify that:

- this rate submission is in compliance with the applicable laws and regulations of the state where it is filed;
- Policy design, underwriting, and claims adjudication practices have been taken into consideration;
- The rates are not unfairly discriminatory and the gross premiums are not excessive and bear reasonable relationship to the benefits, based on the lifetime loss ratio exceeding the minimum loss ratio requirement; and
- The relationship between renewal premium rate schedules and new business premium rate schedules is not applicable because the company is no longer marketing new business in any states.



Xiaoyan Song, FSA, MAAA, FLMI, LTCP
Consulting Actuary



July 30, 2015

Re: BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA – NAIC #71714

To Whom It May Concern:

This letter will serve as the Company's authorization for LifeCare Assurance Company (Long Term Care Administrators) to submit for review and approval Long Term Care rate increase filings pertaining to the LTC Care ProVider product, policy form BGOIP (06/04), on behalf of Berkshire Life Insurance Company of America from today through June 30, 2016.

Sincerely,

Gordon Dinsmore

President

Berkshire Life Insurance Company of America



Berkshire Life
Insurance Company of America

Notice of Premium Rate Increase

OWNER NAME
ADDRESS
ADDRESS

POLICY NUMBER

Re: Berkshire Life Insurance Company of America (“Berkshire Life”) Long-Term Care Insurance Policy
POLICY NUMBER

Dear Policyholder(s):

The purpose of this letter is to advise you that, due to unanticipated market factors, premiums are being raised on all Berkshire Life long-term care policies like yours. The premium for your long-term care insurance policy will increase effective Month XX, 20YY, your next policy anniversary date. As a result, your [modal] premium payment will increase from \$xxx.xx to \$yyy.yy, beginning with your Month XX, 20YY automatic premium payment. As an alternative to paying a higher premium, however, you may choose among policy adjustment options, which are explained below.

Please be assured that this premium increase in no way affects the integrity of your policy, nor is it based on any individual claims history, age, health status, or any other factor related to you personally. Unfortunately, the need for rate increases on long-term care policies is widespread in the insurance industry. However, Berkshire Life remains committed to meeting your long-term care protection needs. In order to lessen the impact of this rate increase on our customers, Berkshire Life has sought state approval for the smallest increase necessary. We will continue to monitor experience on policies such as yours and will implement future rate actions only if experience proves this to be necessary.

Because we realize that paying an increased rate may not be financially feasible for all of our customers, we are providing options to help you maintain coverage. A long-term care policy represents an important component of a sound financial plan, so you should carefully consider which option best suits your individual circumstances and anticipated future needs. Before you make a decision regarding your coverage, you should discuss options with your agent. Please keep in mind if you reduce your benefits, you will be unable to increase them in the future.

- **Benefit Amount Reduction:** By reducing your daily maximum benefit from \$xxx.xx to \$yyy.yy, your [modal] premium would be \$zzz.zz. This is approximately the same rate you are currently paying for your policy. If your policy provides home and community based care benefits, that daily benefit is reduced accordingly.
- **Benefit Period or Elimination Period Adjustments:** By adjusting other policy features, you may be able to reduce your premiums. These adjustments include lengthening your elimination period or shortening your overall maximum benefit period. The elimination period is the time after you would be otherwise eligible for benefits but before you begin to receive payments. Depending on your needs, these adjustments may provide a better alternative than reducing your daily maximum benefit.

- **Review potential removal of riders:** Each rider included with your policy can be assessed for impact on the premium and your current and future coverage needs.
- **Non-Payment Option:** If you find that you are unable or unwilling to pay any further premiums on your policy, Berkshire Life is offering a non-payment option to our long-term care customers. Under this option, if you choose not to pay any future premiums, instead of your policy lapsing and providing no future coverage, it will continue under its current terms, but benefits payable under the policy will be limited to an amount equal to the premiums you have paid into your policy, or 30 times the daily benefit on the rate increase effective date, whichever is greater. No further benefit increases will occur under any Benefit Increase Rider, if attached to the policy. This option will automatically be provided if your policy lapses for non-payment of premium within 120 days of the rate increase effective date. Claim benefits already paid before the date of lapse would be deducted from this amount.

Should you wish to continue your policy at its current coverage level at the increased premium, you only need to pay the indicated premium when you are billed. No further action is required.

If you would like information on alternatives to the policy changes specified on the enclosed Coverage Change Request Form, please contact customer service at the number listed at the end of this letter. They will be able to provide you with more information on possible benefit adjustment alternatives and the premium impact.

If you choose to modify your coverage at this time, please complete the enclosed Coverage Change Request Form and return it to the indicated address by Month XX, 20YY. In doing so, you will ensure your requested changes are processed prior to Month XX, 20YY, the date on which the premium increase for your policy takes effect. If your Coverage Change Request Form is not received prior to Month XX, 20YY, your benefits will remain unchanged and your coverage will lapse if the increased premium is not received by the end of the grace period provided by your policy.

If you have questions about this letter, the premium increase, the attached Coverage Change Request Form or the options available to you, please contact our customer service associates at 888-505-8743, Monday through Friday, from 7 a.m. to 5 p.m. Pacific time.

Sincerely,

Gordon Dinsmore
President
Berkshire Life Insurance Company of America

Enclosure



Berkshire Life
Insurance Company of America

Coverage Change Request Form

OWNER NAME
ADDRESS
ADDRESS

POLICY NUMBER

If you elect to modify your existing coverage in order to offset the upcoming premium increase on your policy, please indicate as such below and return this form in the enclosed postage paid envelope to:

Berkshire Life Insurance Company of America
Long-Term Care Administrative Office
P.O. Box 4243
Woodland Hills, CA 91365-4243

To ensure that your requested changes are received and processed prior to the date upon which your premium increase takes effect, please return this form by Month XX, 20YY. If your Coverage Change Request Form is not received by Month XX, 20YY, your policy benefits will remain unchanged and your coverage will lapse if the increased premium is not received by the end of the grace period provided by your policy.

It is important that you make any policy changes after careful consideration of your personal needs and circumstances as you will not be able to increase coverage under your policy in the future.

If you wish to discuss other options, please contact your agent or our office at 888-505-8743.

Please indicate your choice by checking one of the options below. If you do not check either option or do not return this form, there will be no changes to your policy other than the premium rate increase described in the attached letter.

- Reduce my current daily benefit amount from \$xxx.xx to \$yyy.yy, which will result in a [modal] premium of \$zzz.zz beginning with the premium payment that is due Month XX, 20YY. If your policy provides home and community based care benefits, that daily benefit is reduced accordingly.
- Exercise the Non-Payment Option.

Signature of Policyholder

Date Signed